



GREYHOUND LEASING &
FINANCIAL CORPORATION

Greyhound Tower
Phoenix, Arizona 85077
602 248-4900

3-174A035

JUN 23 1983

RECORDATION NO. 14073
FILED 3423

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INTERSTATE COMMERCE COMMISSION

June 20, 1983

Interstate Commerce Commission
12th and Constitution Avenue, SW
Room 2303
Washington, DC 20423

Attention: Ms. Mildred Lee

Dear Ms. Lee:

Enclosed please find one notarized copy and the original Equipment Lease Agreement between Greyhound Leasing & Financial Corporation, Greyhound Tower, Phoenix, Arizona 85077 ("Lessor") and the Iowa Northern Railroad Company, 53 West Jackson Blvd., Suite 530, Chicago, Illinois 60604 ("Lessee") regarding the lease of three EMD Model GP35 locomotives bearing road numbers 307, 312, and 316.

Please record this document and return the original to my attention. I have enclosed our check in the amount of \$50 to cover the cost of filing. Thank you.

Very truly yours,

Tracy L. Stull
Secretary of Nancy Archer
Manager - Rail Properties

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Interstate Commerce Commission
Washington, D.C. 20423

6/23/83

OFFICE OF THE SECRETARY

Tracy L. Stull
Secretary
Greyhound Leasing & Financial Cor.
Greyhound Tower
Phoenix ,Arizona 85077

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/23/83 at 3:40pm , and assigned re-recording number(s). 14073

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

1.11

14073
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EQUIPMENT LEASE AGREEMENT INTERSTATE COMMERCE COMMISSION

LESSOR: GREYHOUND LEASING & FINANCIAL CORPORATION ("Lessor")

LESSEE: The undersigned ("Lessee") at the address set forth on the signature page hereof.

1. LEASE. Subject to the terms of this Equipment Lease Agreement (together with any Supplements, Riders, Schedules and Exhibits hereto, the "Lease"), Lessor hereby leases to Lessee and Lessee hereby hires from Lessor the equipment (together with all attachments, replacements, parts, additions and repairs incorporated therein and affixed thereto, the "Unit(s)") initially described in each and all Supplements ("Supplement(s)") and thereafter described in each and all Schedules ("Schedule(s)") hereto signed by the parties and thereby made a part hereof.

2. TERM; RENTAL; AND PAYMENTS. (a) Lessee will pay as rental ("Rentals") for use of the Unit(s) the payments in the amounts, at such times and for the entire lease term ("Term") specified in the applicable Supplement(s) to this Lease. The Rental and the Term with respect to each Supplement shall commence as specified in Paragraph 3 of this Lease and in paragraph C-3 of Supplement 1 hereto.

(b) Lessee intends the Rentals to be net to Lessor. Therefore, Lessee shall pay when due all sales, use, excise, gross receipts, value added, personal property, stamp, documentary and ad valorem taxes, license and registration fees, assessments, fines, penalties and similar charges ("Impositions") imposed on the ownership, possession, use, sale, rental, shipment or transfer of title of the Unit(s) during the Term and shall pay or shall reimburse Lessor upon demand for all taxes (except Federal or State net income taxes) imposed on Lessor or Lessee with respect to the Rentals. Lessee shall file all returns required therefor and furnish copies to Lessor. Lessee shall also pay any increase to Lessor in income tax as a result of inclusion in income of Lessor of any amount required by this paragraph to be paid to or for Lessor. Lessee will keep at all times all and every part of each Unit free and clear of all Impositions which might in any way affect the title of Lessor thereto or result in a lien upon such Unit.

(c) In the event any Rental or any other payment due Lessor hereunder is not timely paid, such arrearage shall, on demand of Lessor, be subject to interest at the lesser of the maximum legal rate of interest permitted by applicable law or 5% per annum above the then current Prime ("Prime" being the higher of (i) the announced base rate of interest charged by Citibank, N.A. on 90-day loans to substantial commercial borrowers or (ii) ½ of 1% (0.5%) above the latest 3 week moving average of secondary market morning offering rates in the U.S. as determined by Citibank, N.A. for 3 month certificates of deposit of major U.S. money market banks). All payments due Lessor shall be paid at Lessor's office at the address set forth below, or as otherwise directed, and shall be paid without notice, demand, counterclaim, setoff, deduction, recoupment or defense, and Lessee waives all rights with respect thereto it might otherwise have now or hereafter.

3. COMMENCEMENT OF LEASE. This Lease shall commence upon the delivery of the Units to Lessee.

4. NO WARRANTIES BY LESSOR. (a) LESSOR SHALL NOT BE LIABLE TO LESSEE FOR ANY LIABILITY, CLAIM, LOSS, DAMAGE (DIRECT OR CONSEQUENTIAL) OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY ANY UNIT OR ANY INADEQUACY THEREOF FOR ANY PURPOSE, OR ANY DEFICIENCY OR DEFECT (LATENT OR PATENT) THEREIN, OR THE USE OR MAINTENANCE THEREOF, OR ANY REPAIRS, SERVICE OR ADJUSTMENTS THERETO, OR ANY DELAY IN PROVIDING OR FAILURE TO PROVIDE ANY THEREOF, OR ANY INTERRUPTION OR LOSS OF SERVICE OR USE THEREOF, OR ANY LOSS OF BUSINESS, OR ANY DAMAGE WHATSOEVER AND HOWEVER CAUSED. LESSOR SHALL NOT, BY VIRTUE OF HAVING LEASED THE UNIT(S) UNDER THIS LEASE, BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, WHETHER WRITTEN OR ORAL OR EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS (FOR USE OR FOR ANY PARTICULAR PURPOSE), DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP IN, THE UNIT(S).

(b) Inability of Lessee to use the Unit(s) due to any reason, including, without limitation, any defect in or unfitness of the Unit(s), any action by any governmental authority (including, without limitation, legislative, executive, administrative or judicial bodies) or any action by an independent supervisory agency, shall not relieve Lessee of the obligation hereunder to pay Rentals for the full Term, once the Unit(s) have been accepted or presumed accepted by Lessee under paragraph 3.

5. REPORTS. Lessee shall furnish to Lessor (i) at such times as Lessor may request, an accurate report certified by a duly authorized officer of Lessee stating as of a recent date, (x) that the Unit(s) have been maintained and repaired in accordance herewith, and that Lessee's identifying reporting mark and the appropriate unit number have been preserved or repainted on each side of each of the Unit(s) as required herein, (y) the location of the Unit(s), and (z) such other information regarding the location, condition and state of repair of the Unit(s) as Lessor may reasonably request, (Lessor may examine each Unit at any time); (ii) without demand, notification immediately thereafter of accidents, claims or demands arising out of the ownership or alleged or apparent improper manufacture, functioning or operation of any Unit, details thereof, and copies of documents pertaining thereto (Lessee and its employees shall aid in the investigation and defense of all such claims and in the recovery of damages from third persons) and written notice within 10 days after any day on which any tax lien shall attach to any Unit, of the location of such Unit on such day.

6. USE; OPERATION; AND SERVICE. (a) Lessee will (i) cause the Unit(s) to be operated and maintained only in the ordinary course of Lessee's business and in accordance with applicable manufacturer's manuals or instructions and by competent and duly qualified, authorized agents or employees only; applicable regulatory rules and laws, including, without limitation, all laws of the jurisdictions in which its operations involving the Unit(s) may extend, the interchange rules of the Association of American Railroads, rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body, and rules of any other association of carriers or shippers exercising any power or jurisdiction over Lessee or over the Unit(s), to the extent that such laws and rules affect the title, operation, storage, maintenance or use of the Unit(s) or the other terms and conditions of this Lease, (ii) not assign or otherwise transfer or sublet this Lease, the Unit(s) or any interest therein without the prior written consent of Lessor in each instance, nor permit the Unit(s) to be subject to any lien, encumbrance or charge whatsoever, (iii) maintain the Unit(s) at its sole expense in good operating order, repair,

condition and appearance and acceptable for use in unrestricted interchange and (iv) furnish at its sole expense all parts, supplies, service and utilities necessary for operation or maintenance of the Unit(s), all of which shall immediately become the property of Lessor without cost or expense to Lessor except that this shall not apply to special equipment installed on the Unit(s) by Lessee with the consent of Lessor, provided that such equipment is removed by Lessee before the Unit(s) are returned to Lessor and all damage resulting from such installation and removal is repaired by Lessee, and further provided that removal of such equipment does not affect the Unit(s)' serviceability or unrestricted interchange. Notwithstanding the foregoing, no accessory or device may be installed or affixed to any Unit if the same will impair the originally intended function of the Unit. If the laws or rules referred to in 6(a)(i) above require the alteration of the Unit(s), Lessee shall conform the Unit(s) in accordance therewith at Lessee's expense and shall maintain the same in proper condition for operation under such laws and rules; provided, however, that Lessee may in good faith contest the validity and application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor, adversely affect the property or rights of Lessor as owner hereunder. Lessee shall notify Lessor of any alteration of the Unit(s) required by such laws or rules, describing by identification number the Unit(s) affected and the nature of the alteration. Except for alterations or changes required by law, Lessee shall not, without the prior written approval of Lessor, effect any change in the design, construction or body of the Unit(s).

(b) Lessee assumes all risks for the use, operation and storage of each Unit and for injuries and damages incident thereto, whether to agents, employees or property of Lessee, Lessor or of third parties and whether or not occasioned by Lessor's negligence. LESSEE WILL SAVE AND HOLD LESSOR HARMLESS from all losses, damages, claims, penalties, liabilities and expenses, including attorneys' fees, howsoever arising or incurred because of or incident to (i) any Unit or the actual or alleged purchase, acquisition, delivery, management, control, leasing, condition, destruction, damage, return, repossession, surrender, sale or other disposition, use, operation or storage thereof or (ii) the assertion of any claim or demand based on any infringement or alleged infringement of any patent, trademark or other right by or in respect of any Unit and/or on STRICT OR ABSOLUTE LIABILITY IN TORT.

(c) Unless an Event of Default shall have occurred and be continuing, Lessee shall be entitled to the possession and use of the Unit(s) in accordance with the terms of this Lease. Lessee shall not, without the prior written consent of Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control the Unit(s) except that Lessee may permit the use thereof by other railroad companies in the usual interchange of traffic agreements, but only on and subject to all the terms and conditions of this Lease; provided however, Lessee shall not use or permit the use of the Unit(s) involving the operation and/or maintenance thereof outside the United States.

(d) All per diem payments, rentals and other charges payable for the use of the Unit(s) while being used by others and proceeds payable for the loss, destruction or damage of or to the Unit(s) under the current Code of Rules Governing the Settlement of Destroyed or Damaged Cars adopted by the Association of American Railroads shall be paid to Lessor's agent, care of Lessor, who, prior to Default and until a successor is designated by Lessor, may be the Lessee. Prior to the occurrence of an Event of Default the amounts so paid shall be remitted by such agent to Lessee; provided, however, that if an Event of Default shall occur no such payments, sublease rentals or other charges shall be paid to Lessee from and after the occurrence of said Event of Default, and Lessee hereby releases any claim thereto, and all such payments, Rentals and other charges shall be remitted to Lessor and may be applied by Lessor against any liability of Lessee to Lessor hereunder or any expense incurred by Lessor because of such Default.

7. INSURANCE. "Stipulated Loss Value" means a sum of money equal to \$115,000 for each Unit. Lessee shall provide and maintain at its own expense all risk insurance on each Unit for the Stipulated Loss Value thereof and comprehensive public liability and property damage insurance covering each Unit. The insurance shall (i) be of a type, form, in amounts and with companies approved by Lessor, (ii) in the case of property insurance, provide that settlements for losses shall be paid only to Lessor and/or its assignee as loss payee and insure Lessor's interests regardless of any breach or violation by Lessee of any warranty, declaration or condition contained in the policies, (iii) in the case of liability policies, name both Lessor and Lessee as insureds and provide that all insurance, except the limits of liability, operate as if there were a separate policy covering each insured, (iv) be primary and without right of contribution from other insurance which is carried by Lessor and (v) provide for 30 days written notice to Lessor prior to the time any coverage is altered or cancelled. Certificates of insurance or other evidence satisfactory to Lessor, including the original or certified copies of the actual policies, showing the existence of insurance in accordance herewith and the terms, conditions, and payments therefor shall be delivered to Lessor forthwith and thereafter prior to each expiration.

8. DAMAGE TO EQUIPMENT. (a) Lessee assumes all risks of loss, theft or destruction of, and damage to, each Unit and will hold Lessor harmless from any thereof and from all claims and liens for storage, labor and materials incurred other than by Lessor whether or not insured.

(b) A Unit which is lost, stolen, wholly destroyed or damaged beyond repair so as to preclude its use for the purpose intended by reason of any cause, or is appropriated, requisitioned, taken over or nationalized by any governmental authority under the power of eminent domain or otherwise, and all of the obligations of Lessee hereunder are not assumed by such governmental authority within 60 days after such appropriation, requisitioning, taking over or nationalization, shall be deemed a "Total Loss". In the event of Total Loss, this Lease shall terminate as to such Unit (i) if Lessor shall have made a full insurance recovery with respect thereto in an amount not less than the Stipulated Loss Value of such Unit or (ii) in the event no such full insurance recovery shall be made by Lessor, if Lessee pays to Lessor such Stipulated Loss Value, less the amount of any insurance recovery received by Lessor. If a Total Loss occurs, Lessee shall pay to Lessor an amount equal to the last previous Rental on the date that the next Rental would have fallen due and shall pay such amount monthly thereafter until such time as Lessor shall have received an amount equal to the sum of (x) accrued Rentals, if any, to the date of such Total Loss, (y) the Stipulated Loss Value of the Unit(s) as of the date of such Total Loss and (z) interest on the unpaid and declining balance of said amount at the rate set forth on paragraph 2 above from the date of such Total Loss to the date of receipt thereof by Lessor. Upon receipt by Lessor of the sum of the amounts set forth in clauses (x), (y) and (z) preceding, Lessee shall then be entitled to receive the remainder, if any, of all insurance proceeds as compensation for the loss of Lessee's leasehold interest in the Unit(s) which is a Total Loss.

(c) If a Unit(s) is damaged but shall be capable of repair, this Lease shall remain in effect as to such Unit(s) and Lessee will repair such damage or replace such Unit at Lessee's sole cost, but Lessee may apply, if it is not in default under this Lease, any insurance proceeds received in respect of such damage to such repair or replacement.

9. RETURN OF EQUIPMENT. (a) At the expiration or sooner termination of the Term or any renewal thereof, Lessee will return each Unit to Lessor free of all advertising or insignia placed thereon by Lessee (Lessee will restencil the Units as directed by Lessor) and in the same operating order, repair, condition and appearance as when received, reasonable wear and tear excepted, and in all events in such condition as to permit use in unrestricted

interchange and shall meet all interchange requirements of the Association of American Railroads. For such purpose Lessee will (i) store the Units at Lessee's facilities for a period not exceeding six (6) months at Lessee's sole cost and expense, and (ii) transport or cause to be transported the Unit(s) at any time within such six (6) month period on the written direction of Lessor to do so to a place so designated by Lessor (Lessee will pay charges and expenses for the first 500 miles from Lessee's line). The delivery, storage and transportation of the Unit(s) as above provided are of the essence of this Lease and, upon application to any court of equity having a jurisdiction in the premises, Lessor shall be entitled to a decree against Lessee so as to require Lessee to assemble, deliver, store and transport the Unit(s).

(b) Without in any way limiting the obligation of Lessee under the foregoing paragraph, Lessee hereby irrevocably appoints Lessor as its agent and attorney, with full power and authority, at any time while Lessee is obligated to deliver possession of the Unit(s) to Lessor, to demand and take possession of the Unit(s) in the name and on behalf of Lessee from whomsoever shall be at the time in possession of the Units.

10. REPRESENTATIONS AND WARRANTIES. Lessee hereby covenants, represents and warrants to Lessor that (i) it is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and in every jurisdiction in which the nature of its business requires qualifications as a foreign corporation, (ii) it has taken all action which may be required to authorize the execution, delivery and performance of this Lease, and such execution, delivery and performance will not conflict with or violate any provisions of its Charter or Articles or Certificate of Incorporation, By-laws or any provisions of, or result in a default or acceleration of any obligation under, any agreement, order, decree or judgment to which it is a party or by which it is bound, nor is it now in default under any of the same, (iii) there is no litigation or proceeding pending or threatened against it which may have a materially adverse effect on Lessor or which would prevent or hinder the performance by it of its obligations hereunder, (iv) this Lease and attendant documents constitute valid obligations of Lessee, binding and enforceable against it in accordance with their respective terms, (v) no action by or with any commission or administrative agency is required in connection herewith (vi) all financial statements that have heretofore been presented by or on behalf of it to Lessor in conjunction with this transaction, are true and correct and present fairly the financial condition and results of operations of the subject of such statements as of the date thereof or for the period reflected therein, do not contain any untrue statement or omission of a material fact, and there is no fact, situation or event which materially adversely affects or will materially adversely affect the properties, business, assets, income, prospects or condition (financial or otherwise) of the subject thereof, (vii) it has the power to own its assets and to transact the business in which it is engaged, (viii) it is not current in default of any obligation under any agreement, instrument or undertaking, or decree or judgment to which it is a party or by which it is bound, and (ix) it will give to Lessor prompt notice of any change in its name, identity and structure.

11. DEFAULT. An event of default shall occur hereunder ("Events of Default") if Lessee (i) fails to pay any sum to be paid hereunder when due and such failure continues for 24 hours after receipt by Lessee of written, telegraphic or telephonic notice thereof, or (ii) fails at any time to procure or maintain any insurance coverage prescribed herein, or (iii) fails to perform or observe any other duty, obligation or covenant contained herein or in any other document furnished in connection herewith and such failure shall continue for 10 days after receipt by Lessee of written, telegraphic or telephonic notice thereof, or (iv) becomes insolvent (that is, unable to pay its debts as they mature) or commits an act of bankruptcy or becomes the subject of any proceeding under the Bankruptcy Act as amended or any other insolvency law or law providing for the relief of debtors (provided, however, that if the same is an involuntary proceeding which is stayed or dismissed within 30 days from the date of

commencement the same shall not constitute default), or (v) shall suffer any substantial part of Lessee's property to be subject to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency or (vi) fails to timely comply with any payment obligations under any other agreement, including without limitation, other leases or transactions with Lessor in the past or future, with the result that the obligee thereof shall have exercised its right to accelerate, sue, resort to any security and/or repossess, or (vii) shall have a final judgment aggregating in excess of \$50,000.00 rendered against it which shall remain outstanding and undischarged for 30 days, or (viii) shall have made a materially untrue or incorrect representation of warranty herein or in any document delivered in connection herewith.

12. REMEDIES. (a) Upon the occurrence of an Event of Default, Lessor, at its option may, (i) proceed by appropriate court action(s) to enforce performance by Lessee or to recover from Lessee any and all damages and expenses which Lessor shall have sustained by reason of Lessee's default or on account of Lessor's enforcement of its remedies hereunder, (ii) terminate Lessee's rights hereunder, and/or (iii) take possession of all Unit(s) (damages occasioned by such taking of possession are hereby expressly waived by Lessee), and thereupon Lessee's right to the possession thereof shall terminate; provided, however, it is understood and agreed that Lessor's taking possession of the Unit(s) shall neither terminate this Lease nor discharge Lessee's obligations and duties hereunder and Lessee's obligation to pay Lessor its damages as hereinafter defined. In the event of any repossession, Lessor shall either lease the Unit(s) or any portion thereof for such period, rental and to such person as Lessor shall elect or sell the Unit(s) or any portion thereof at public or private sale without demand or notice of intention to sell or of sale to Lessee and with or without having the Unit(s) at the place of sale or retain the Unit(s) or any part thereof without leasing or otherwise disposing of the Unit(s). If any Unit is leased, sold or otherwise disposed of pursuant hereto, Lessee shall be liable to Lessor, as liquidated damages for the breach of this Lease (but not as penalty), for the amount by which the proceeds of such lease (all future rental payments thereof discounted to the specified payment date to their present value at the rate of 5% per annum), sale or other disposition is less than the sum of (i) all due, unpaid and accrued Rentals for such Unit as of the date of the Event of Default, (ii) the Stipulated Loss Value thereof as of the date of the Event of Default, (iii) an amount equal to accrued Impositions and other amounts payable hereunder by Lessee with respect to such Unit, (iv) all costs, expenses, losses and damages incurred or sustained by Lessor by reason of such default and (v) interest at the rate specified in paragraph 2 on each of the foregoing and on all sums not paid when due under any provision of this Lease. If on the date of such termination or repossession, any Unit be a Total Loss or be subject to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency, Lessee shall also remain liable for the Stipulated Loss Value of such Unit, less the amount of any insurance recovery received by Lessor in connection therewith. All rights and remedies of Lessor conferred on Lessor by this Lease or by law shall be cumulative and in addition to every other right and remedy available to Lessor. No failure on the part of Lessor to exercise and no delay in exercising any right or remedy hereunder shall operate as a waiver thereof unless specifically waived by Lessor in writing, nor shall any single or partial exercise by Lessor of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

(b) LESSEE HEREBY VOLUNTARILY AND KNOWINGLY WAIVES, TO THE EXTENT PERMITTED BY LAW, ANY AND ALL RIGHTS TO NOTICE AND/OR HEARING PRIOR TO ANY RETAKING OF POSSESSION OR REPLEVY OF THE UNITS BY LESSOR, ITS AGENTS OR ASSIGNS ON DEFAULT OF LESSEE, AND FOR THIS PURPOSE LESSOR MAY, AS FAR AS LESSEE CAN GIVE AUTHORITY THEREFOR, ENTER UPON ANY PREMISES ON WHICH THE UNIT(S) MAY THEN BE SITUATED AND REMOVE THE SAME THEREFROM. LESSOR MAY REQUIRE LESSEE TO DELIVER THE UNITS TO LESSOR AT A PLACE TO BE DESIGNATED BY LESSOR IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH 9.

(c) If Lessor incurs any expenses including attorneys' fees, in the enforcement of any of its rights hereunder without having brought any action, proceeding or suit to enforce any such right, or if Lessor shall bring any action, proceeding or suit and shall be entitled to judgment, then Lessor may recover from Lessee such reasonable expenses so incurred. Should Lessor be in default hereunder as to any one Unit, Lessee may not because of such default terminate this Lease as to any other Unit. Promptly after Lessee has notice thereof, Lessee shall give notice to Lessor of any Event of Default and any event that has occurred and is continuing which constitutes an Event of Default but for the requirement that notice be given or time elapse or both.

13. TAX BENEFITS. The parties acknowledge that only Lessor shall be entitled to claim all tax benefits if any are available with respect to the Unit(s) and Lessee will not claim the same.

14. CONDITIONS PRECEDENT. The obligations of Lessor hereunder to lease to Lessee are expressly contingent on satisfaction and fulfillment of the following, such obligations to expire on the date set forth in the applicable Supplement: (i) Lessee shall have executed and delivered, or caused to be executed and delivered at its sole cost and expense such documents as Lessor may deem necessary and desirable (and as shall be satisfactory to Lessor in form and content) in connection with this transaction, including without limitation, opinions of legal counsel, officers' certificate, and UCC financing statements; (ii) there shall be no materially adverse change in the financial condition of Lessee or in Lessee's ability to perform its obligations hereunder; and (iii) Lessee shall have kept and performed Lessee's obligations hereunder.

15. ASSIGNMENT BY LESSOR. Lessee acknowledges and understands that the terms and conditions of this Lease have been fixed by Lessor in anticipation of its being able to assign its interest under this Lease and in and to the Unit(s) to a bank or other lending institution or to others having an interest in the Unit(s) or this transaction, all or some of which will rely on and be entitled to the benefit of the provisions of this paragraph, and upon any such assignment, Lessee agrees with Lessor and with such potential assignees to recognize any assignment, to accept the directions or demands of such assignee in place of those of Lessor; to surrender Unit(s) only to assignee, to pay all Rentals and the sums payable hereunder and to do any and all things required of Lessee hereunder and not to terminate this Lease, notwithstanding any default by Lessor or the existence of any offset as between Lessor and Lessee or the existence of any other liability or obligation of any kind or character on the part of Lessor to Lessee whether or not arising hereunder, and not to require any such assignee of this Lease to perform any duty, covenant or condition required to be performed by Lessor hereunder, all rights of Lessee in any such instance being hereby waived as to any and all such assignees. However, upon any such assignment, Lessor shall not be relieved of its obligations to Lessee hereunder.

17. IDENTIFICATION OF UNITS. (a) On or before the commencement of this Lease, Lessee, at its sole cost and expense, agrees to cause to be plainly, distinctly, permanently and conspicuously placed, fastened or painted upon each side of each of the Units a legend in letters not less than one inch in height bearing the following words:

"GREYHOUND LEASING & FINANCIAL CORPORATION,
PHOENIX, ARIZONA,
OWNER AND LESSOR"

At the request of Lessor or any chattel mortgagee, assignee, trustee or other holder of the legal title to the Unit(s), the Unit(s) may be lettered or marked to identify the legal owner of the Units, if other than Lessor.

(b) In case any such legend at any time shall be painted over or otherwise made inconspicuous, removed, defaced or destroyed during the Term, Lessee shall immediately cause such legend to be restored or replaced. Lessee will not allow the name of any person, association or corporation to be placed on the Unit(s) as a designation which might be interpreted as indicating a claim of ownership thereof by any person, association or corporation other than Lessor or its assignees; but the Unit(s) may be lettered with the names or initials or other insignia customarily used by Lessee on equipment of the same or a similar type for convenience of identification of the rights to use and operate the Unit(s).

(c) On or prior to the respective date of acceptance of the Unit(s) for leasing hereunder, Lessee agrees to cause to be placed on each side thereof Lessee's assigned number. At all times thereafter, during the Term, Lessee will cause the Unit(s) to bear the number so assigned to it and Lessee will not change or permit to be changed the number except in accordance with a statement of a new number to be substituted therefor which previously shall have been filed with Lessor by Lessee and filed, recorded, or deposited in all public offices where this Lease will have been filed, recorded, or deposited.

18. PURCHASE OPTION. At the expiration of the Term or any renewal thereof of each respective Schedule ("Expiration Date") Lessee shall be entitled to purchase the Units with a radio pack installed, if available as determined by Lessor, pursuant to a five (5) year installment sale and security agreement, which shall be acceptable to Lessor, under the terms and conditions set forth on Exhibit A to the lease proposal dated March 23, 1983 by and between Lessor and Lessee provided however (i) Lessee must not be in default under this Lease on the date it exercises this purchase option or between the date of exercise and the Expiration Date for the Unit(s) which are the subject of the purchase option (ii) Lessee must give Lessor unequivocal and irrevocable written notice of its exercise of this purchase option at least 30 days prior to the Expiration Date of the first Schedule to expire, and (iii) Lessee must elect to purchase, at their respective Expiration Dates, all and not less than all, the Units subject to this Lease on the Expiration Date of the first Schedule to expire.

19. MISCELLANEOUS.

(a) Nothing herein contained shall give or convey to Lessee any right, title or interest in and to any Unit except as a lessee thereof.

(b) Lessor covenants that it is the owner of the Unit(s) and that conditional upon Lessee's performance hereunder, Lessee shall peaceably and quietly hold, possess and use the Unit(s) during the Term.

(c) This Lease shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns, subject to paragraph 6.

(d) Time is of the essence.

(e) This Lease shall be governed by and construed in accordance with the laws of the State of Arizona. The invalidity of any portion of this Lease shall not offset the force and effect of any other portion hereof. Interest computations shall be made on the basis of a 360-day year of twelve 30-day months. Lessee agrees throughout the Term to execute and deliver such additional documents and to perform such further acts as may be reasonably requested by Lessor in order to carry out and effectuate the purposes hereof.

(f) This Lease contains the entire agreement between the parties and may not be modified, terminated or discharged except in writing, and this Lease supersedes any and all prior representations, warranties and/or inducements, written or oral, heretofore made by Lessor concerning this transaction, which prior representations, warranties and/or inducements if any, are null and void and of no force or effect whatsoever.

20. SURVIVAL. Any other provisions contained in this Lease to the contrary notwithstanding, it is hereby agreed that the provisions of paragraphs 2, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 shall survive the expiration or termination hereof to the extent required thereby for their full observation and performance. No obligation of Lessor hereunder shall survive the Term or sooner termination of this Lease, and, should Lessor permit the use of any Unit beyond the Term specified therefor, the obligations of Lessee hereunder shall continue. Any such permissive use shall not be construed as a renewal of the Term or as a waiver of any right or continuation of any obligation of Lessor hereunder, and Lessor may take possession of any such Unit at any time on demand after 30 days notice. Neither cancellation nor termination by Lessor of this Lease pursuant to the provisions hereof nor any termination of the Term by lapse of time shall release Lessee from any then outstanding obligations and/or duties to Lessor hereunder.

21. SUPPLEMENT 1. The first Supplement to this Lease, designated as Supplement 1, is as follows:

SUPPLEMENT 1

- A. Description of Unit(s) covered by this Supplement. The following railroad rolling stock:
- Three (3) EMD Model GP-35 locomotives bearing Road #316, Serial #31039; Road #312, Serial #30016 and Road #307, Serial #30036, respectively.
- B. The Term (see Lease paragraph 2(a) for Units covered by this Supplement): 6 consecutive months
- C. Rental (see Lease paragraph 2(a) for Units covered by this Supplement):
- C-1 Payable in 6 consecutive monthly payments, each of which shall be payable monthly in advance.
- C-2 Each Rental payment shall equal the number of days in the next succeeding month multiplied by \$80 per Unit per each such day.

C-3 The first Rental payment shall be made to Lessor on the date that the parties hereto sign this Lease and shall be applied to the first of six payments due under this Lease commencing on the date of delivery of the Units to Lessor. Thereafter, the next five Rental payments shall be due and payable on the same day of the month as the date the Lease commenced.

- D. The obligations of Lessor to lease the Units to Lessee expires on May 31, 1983 if this Lease has not by that date commenced.
- E. All demands, notices, consents, requests and other communications hereunder shall be, unless specifically provided otherwise in the Lease, in writing and shall be deemed to have been duly given when personally delivered to any officer of Lessor or Lessee, or when deposited in the mail, registered or certified, postage prepaid, addressed to the parties at their addresses shown below.
- F. Lessee's State of Incorporation: Iowa.
- G. Lessee's Address: 53 West Jackson Blvd., Suite 530, Chicago, Illinois 60604.

IN WITNESS WHEREOF, the parties hereto have executed this Lease and Supplement 1 hereto as of 4-8-83, 1983.

IOWA NORTHERN RAILROAD COMPANY,
"LESSEE"

By: John W. Johnson
(Title)

By: President
(Title)

GREYHOUND LEASING & FINANCIAL
CORPORATION, "LESSOR"

By: William H. Benson
Vice President - Law

ATTEST:

By: Kevin J. McQuinn
Attorney

Greyhound Tower
Mail Station 3401
Phoenix, Arizona 85077